CONCLUSIONS AND SUGGESTIONS

Marketing practices are the marketing functions that are performed by the business enterprises. Marketing practices are the practical application of marketing functions to achieve the goals set by the top management of the enterprise. It is noteworthy to mention that marketing involves the following chief functions:-

(i.) Knowledge of demand, i.e., customer needs unmet so far and how the demand can be developed,
(ii.) Obtaining demand, i.e., getting orders,
(iii.) Fulfilling orders, i.e., achieving a profitable turnover, and
(iv.) Ensuring satisfaction of customer needs, i.e., aiming at new and/or repeat business.

The cycle of marketing practices involves-

(i.) Determination of the present and potential customers through marketing research,
(ii.) Formulation of the marketing plan and policy,
(iii.) Development of product and its adaptation to specific customer needs through product planning and development,
(iv.) Channel choice and channel management,
(v.) Physical distribution arrangement,
(vi.) Generation and stimulation of demand though all devices of promotion,
(vii.) Determination of selling prices and discounts,
(viii.) Selling activities, i.e. personal selling, contract negotiation, payment provisions,
(ix.) After-sales activities,
(x.) Feed back of information from the market on post-sale reactions and usage, and
(xi.) Replanning on the basis of feedback information from the environment and the market.

**Marketing Practices:**

The marketing management practices to be adopted by the business enterprises may be grouped as under:-

A) **Marketing Research and Information:**

It covers marketing information, marketing research projects, marketing segmentation and distribution cost analysis.

B) **Product and Prices:**

It covers production research, product development, packaging branding, pricing, warranties and after-sales services.

C) **Planning and Control:**

It covers sales forecasting, marketing mix, annual marketing plans and budgeting & control.

D) **Promotion (Marketing Communication):**

It covers management development and control of sales force, advertising and publicity, sales promotion devices, exhibitions and trade fairs, public relations and Government relations.

E) **Distribution (Physical Distribution):**

It includes channel choice and decisions, transport, warehousing assurances, order processing protective packaging and inventory control.

**Need of Marketing Management for Small Industry Products**

Because of the shortage of capital and financial resources, small scale industrial units do not have adequate ‘staying capacity’ and are often
forced to sell their products at unremunerative prices. The small industry products are gradually getting acceptance all over the world. Marketers are witnessing an unlimited potential for global business and marketing development. The Socialistic economies in Europe, India and many other countries have chosen free enterprise system and are adopting market-driven economies based on customer-oriented integrated business plans and strategies. To penetrate into the international market, India has eliminated or considerably reduced tariffs and other trade barriers. Liberalization, privatization, decontrol and delicensing are the ingredients of new economic and industrial polices. Eco-friendly products having Eco-labels are receiving special preference in all markets.

In majority of the countries markets are steadily changing from seller’s market, to buyer’s market. As regards small industry products customer delight and not merely customer satisfaction has become the centre of the marketing universe. An overview of the global marketing environment reveals that it is much more turbulent and dynamic. In such an atmosphere the marketer has to face competition and increasing demand of consumerism. We have global markets, global communication and global trading. Technology, telecommunications, computers and television have made a quantum jump in the concepts of time and distance. With such a challenging atmosphere, a market must be customer-oriented, alert, positive, forward-looking and above all innovative. Almost in all human affairs, marketing has assumed a unique role and significance. In the emerging environment of 21st century marketing practices automatically occupy the centre stage in the socio economic development in all nations. Keeping all these major changes of business environment into consideration it may be put that updated marketing practices are need of the hour for small industry products.

The most knotty problem in the operation of marketing practices of small scale industries is their isolation from the market and their inability to understand quickly and accurately the prevailing trends in the market. Our survey of marketing practices adopted by the small-scale industries in Uttarakhand reveals that inspite of an extensive potential market, the small entrepreneurs have been found most reluctant towards efficient marketing techniques and consequently have met with utter failure on the front of marketing of their products. When it comes to the question of markets for which the products are produced, most of the small entrepreneurs appear to be as much anchored to the past as they are in the methods of manufacturing. Types and areas of consumption are shifting but only a few products try to follow them. This, in part at least, is due to the prevailing system of distribution. Few channels of communications exist between the small manufacturer and the ultimate customer. In many cases, the manufacturer does not even know in what part of the country, his wares are used or who buys them.

Our study of 40 small – scale units has revealed that over the years, small-scale units are facing increasing competition from large-scale units. Small scale sector needs to cater to changing tastes and preferences of customers, if it is to withstand the growing competition. It has also been found that the small-scale units lack in resources and knowledge for effective sales promotion. Small-scale industries have to pay a heavy commission to dealers for their selling efforts resulting in reduction in profit margins. Some small industry products enjoy higher sales at the place of manufacture than that of market.
Sources of Marketing Information of Small Scale Industries

The successful marketing of products requires adequate and up-to-date information about changing market conditions. Decisions as regards to type of product, the price policy, the channel of distribution and sales promotion can be made rightly with the help of sound marketing information at the appropriate time. Marketing research is the gathering, recording and analysis of all facts about problems to the transfer and sale of goods and services from producer to consumer. Small-scale industries with low financial resources are often unable to afford continuous marketing research. Our survey has revealed that the entrepreneurs of small-scale industries can use personal contacts and other informal methods for collecting required information as regards to markets where products may be supplied.

The small-scale industries collect marketing information from the following sources.

1. **Secondary Sources:**
   a) Print Media.
   b) Government Publications.
   d) Foreign Governments and International Agencies.
   e) Publications of Trade Associations
   f) Private Organisations and Research Institutions.

2. **Primary Sources:**
   a) Customers
   b) Dealers
   c) Sales persons
**Market Assessment by Small Scale Industries**

A small-scale unit is not in a position to meet the requirements of all types of customers in a particular market. Therefore, it has to choose a target market or group of customers. After identifying the target market it concentrates on the estimation or forecasting of total demand of the product/products manufactured by it. Marketing demand for a product is the total volume that would be bought by a defined customers group in a defined geographical area in a defined time period, in a defined marketing environment under a defined marketing programme.

An organisation can prepare a sales forecast after establishing the market or sales potential. An enterprise's sales forecast may however be less than its sales potential. This is because the enterprise's production facilities may be inadequate to tap the full potential volume. Besides, due to financial constraints, the enterprise may not afford the best distribution system for selling to its full potential market.

**Sales Forecast in Small Scale Industries:**

Several techniques are available for sales forecasting. But in case of small industry products, we have used only the following methods.

i) Survey Method

ii) Statistical Methods

iii) Leading Indicator Method

**Market Segmentation by Small Scale Industries:**

The heterogeneous customers of a market differ in terms of their needs, preferences and buying capacity. Different customer groups need different marketing approach. This is why the total market is divided into different segments or homogeneous customer groups known as “market segmentation”. Market segmentation enables the entrepreneur to fine tune his marketing efforts so as to match the requirements of the target market.
as well as possible. Instead of wasting his efforts in trying to sell to all types of customers, a small scale unit can focus its efforts on the segment most appropriate to its marketing programme.

**Criteria for Market Segmentation in Small Scale Industries:**
The market segmentation to be worth-while must satisfy the following six criteria-

(i) Identity
(ii) Accessibility
(iii) Responsiveness
(iv) Size
(v) Nature of demand
(vi) Measurability

**Bases of Segmentation for Small Industry Products:**
The segmentation for small industry products was made on the basis of the following variables.

(i) Geographic Segmentation
(ii) Demographic Segmentation
(iii) Education
(iv) Socio-economic Variables
(v) Psychological Variables

**Marketing Mix of Small Scale Industries:**
For each segment of the market we formulate a combination of a number of devices or types of marketing activities that are integrated into a single marketing programme to reach a particular target or market segment. The combination of these marketing methods or devices is known as the marketing mix. A successful marketing strategy must have a market mix as well as a target market for whom the marketing mix is prepared. The elements or variables forming marketing mix are –product, price, promotion and place. Marketing mix offers an optimum combination of
all marketing ingredients so that we can have realization of company goals such as profit, return on investment, sales volume, market share and so on.

**Branding of Small Industry Products:**

A brand is a symbol or a mark that helps a customer in instant recall, differentiating it thereby from the competing products of a similar nature. Branding is the process of assigning a distinctive name to the product by which it is to be known and remembered. A brand may be a name, symbol, design, photograph or a combination thereof that helps to differentiate a product from the competitive products. When registered under the *Trade and Mercantile Marks Act, 1958*, it becomes a trademark. Dalda vanaspati, Lux soap, Usha sewing machine, Videocon T.V. Surf, Ariel, Nirma, Liril, Rexona, Hamam are few examples of popular brands.

The essentials of a good brand are —

(i) it should be brief and simple,

(ii) it should be easy to pronounce, spell and remember,

(iii) it should be attractive and appealing to the eyes,

(iv) it should be suggestive of the utility of the product,

(v) it should be distinctive and difficult to initiate,

(vi) it should remain constant for a reasonable period of time in order to gain popularity,

(vii) it should be capable of registration and legal protection.
Packaging of Small Industry Products:
Packaging may be defined as the general group of activities in the planning of a product. These activities concentrate on formulating a design of the package and producing an appropriate and attractive container or wrapper for a product. Many a times, package design itself can act as a registered brand. Almost every article has to be packed to make a trip to the ultimate consumer. But packing is merely a physical action and provides a handling convenience. e.g., wheat, cotton, etc. Packing is necessary to prevent flowing out of such liquids as milk, drinks, etc. It is essential to maintain freshness and quality, e.g., ghee, sauce, etc. Good packing can prevent the danger of adulteration e.g., butter, cheese, spices, edible oils, etc. Packaging is a marketing necessity and is much more than mere packing. Good package ensures ultimate success of the product as a commercial venture. Package is an invaluable aid to decision-making by the customers. The increasing competition has made packaging an important part of marketing strategy. It is gaining important place with the growing use of open display and self-service of goods. At present, packaging must also solve the problem of pollution by reducing waste and by conserving scare resources. Under no circumstances a package should have a deceptive communication or adopt high-pressure salesmanship. The consumers of today are alert and intelligent enough, this is why they do not want to be misinformed or misled by packaging. Secondly, in business ‘honesty is the best policy.’ Many markets forget it. Consumerism insists on truth in packaging.

Marketing Mix Elements
The policies adopted by manufacturers to attain success in the marketers constitute the Marketing Mix. The marketing mix is a set of four
controllable variables, product or services, price, place and promotion and their intensity or level that any firm uses to leverage the marketing programme intended to influence the target market. Any variable under the control of the firm that can influence the level and intensity of customer buying behaviour and response and help in simplifying buyer-seller equation are a set of variables called marketing mix variables.

To make a very rational and balanced choice so that customer response is most effective and desirable, the marketing mix variables, would be:-

P- Product (Tangible goods, durable, non-durable, industrial, non-industrial, Intangible products like services.)
P- Price (Cash, cheque etc.)
P- Place (Distribution, retail outlets, etc.)
P- Promotion (Advertising, sales promotion, etc.)

A list of particular marketing variables under each 'P' is given below:-

**Product** : Quality, Features, Options, Style, Brand Name, Packaging, Sizes, Services, Warranties, Returns.

**Price** : List Price, Discount, Allowances, Payment Period, Credit Terms

**Place** : Channels, Retail Outlets, Coverage, Locations, Inventory, Transport.

**Promotion** : Advertising, Personal Selling, Sales Promotion, Publicity, Public Relations.
The marketing mix of a firm depends upon the characteristics of the product, consumer and target market at a particular period of time. A firm has to decide the following to get correct marketing mix:

- Type of product of brand to be offered
- Type of packaging to be considered
- Price level and discount levels and terms of payments.
- Selection of target market territory
- Type and intensity of distribution system
- Levels of inventory.
- Type of advertisement – selection of media, management campaign time and duration.
- Level and intensity of promotional materials

The main aim of all marketing activities is ‘profitability.’ The marketing manager should therefore devise such a marketing mix that will give the optimum profit for the product he has to market. He should devise the marketing mix keeping in mind the relevant market forces so that the result would be sufficient and adequate profits.

Some marketing experts have devised the following elements of the marketing mix:

i) General Planning.
ii) Product Planning
iii) Pricing
iv) Channels of Distribution
v) Sales Forces
vi) Advertising and Sales Promotion
vii) Physical Handling
viii) Marketing Research
Causes of Poor Deterrents of Sound Marketing Practices:
Marketing is very complicated field of business operations. All types and scales of business enterprises face marketing problems in this or that form. But in case of small scale industries marketing problems are more serious. First, small scale industrial units are not in a position to withstand cut-throat competition in terms of cost, quality, etc. from large scale industrial units. This has resulted in low capacity utilization in small scale units. Secondly, most of the entrepreneurs of small-scale industrial units have little appreciation of marketing concept and strategy. Following are the deterrents of sound marketing practices in small scale units of Uttarakhand:-

1. Inadequacy of Marketing Information
The success of a business enterprise depends upon its marketing system and the soundness of marketing system to a large extent depends upon adequate and up-to-date information. The changing market conditions affect the marketing of the products. Decisions as regards the type of product, the pricing policy, the channel of distribution, and sales promotion can be made rightly with the help of right marketing information at the right time. Marketing information is collected through marketing research which is the gathering, recording and analysis of all facts about problems relating to the transfer and scale of goods and services from producer to consumer. Small scale industries with their limited financial resources are generally unable to afford continuous marketing research. These units use personal contacts and other informal methods for collecting required information about markets. The sales persons and dealers failed to proved sufficient marketing information. Most of the small scale units failed to conduct interview of consumers to
know their tastes, attitudes and fashion on a regular basis. Data relating to the buying habits and preferences of customers collected with the help of sales persons were also insufficient.

2. **Difficulty in Market Assessment**

Market demand for a product is the total volume that would be bought by a defined customer group in a defined geographical area in a defined time period, in a defined marketing environment under a defined marketing programme. For demand forecasting we used survey method in which information was sought from dealers, sales persons and experts of marketing. In Uttarakhand the small scale units lack in market experts. This is why our data lacks in inclusion of experts’ advice. Besides, the dealers and sales persons were found all the time busy and were reluctant to provide the necessary information to serve our purpose. In this way survey method proved of no much use in the demand forecasting. The statistical methods- least square method, extrapolation and multiple regression analysis also failed to forecast demand as the customers were reluctant to state their per capita income without which demand forecasting may not be possible.

3. **Leakages in Market Segmentation**

The customers of small scale industry products who were found different as regards their needs, preferences and buying capacity were divided in different groups on the basis of their incomes, age, gender, needs and geographical area. These different groups are known as different segments. To know the income, age gender, needs and geographical area of the customers a structured questionnaire was prepared which comprised multiple choice questions. The respondents showed no much interest in providing these information which resulted in poor market
segmentation. Besides as a result of limited financial resources and marketing experts, small scale units do not focus on all segments of markets. These units generally do not waste their efforts in trying to sell to all types of customers, instead they focus its efforts on the segment most appropriate to its marketing programme.

The following points support the fact that market segmentation of small scale units of Uttarakhand is poor.

1. No basic difference has been noticed in the demands of rural and urban customers, hence geographic segmentation could not be done properly.

2. Demographic segmentation based on population variables such as age, sex, marital status, number of children etc. was made with great difficulty. People made misleading statements as regards their age which resulted in unsatisfactory classification of customers on the basis of age into children, teenagers, adults and elderly people as the preferences, taste and need of each age group are different and the entrepreneurs make different marketing programmes to promote their sales.

3. Difficulties had also to be faced as regards market segmentation on the basis of education. It was quite difficult to draw a demarcation line between different education levels.

4. The information collected for psychological variables was neither sufficient nor accurate resulting in poor market segmentation.
4) **Defective Pricing Policy:**

Price is an important element of marketing mix as it influences the profit margin and the sales volume. Like other industries, the small scale industries too adopt any one or more of the following pricing policies – skimming price policy, penetrating price policy, price discrimination and resale price maintenance. The small scale units failed to compete with the large scale industries as far as pricing policy is concerned. Even resorting to innovation and improved products small scale units could not reduce the price to meet cut-throat competition with large scale units.

The small scale industries of Uttarakhand in large number failed to follow the penetrating price policy because of financial constraints. The policy of prices discrimination also could not be followed by small scale units of Uttarakhand as these failed to assess the proper time to charge low or higher prices because of non-understanding of market sentiments & behaviour. The policy of resale price maintenance too could not be followed by these units in rational manner because the inefficient dealers are protected who make no efforts in promoting the sale of the product. This policy lacks in open competition which is the most prominent feature of the modern marketing system.

5. **Wrong Selection of Channels of Distribution:**

Channel of distribution is the pipeline through which products move from producer to consumer. Small scale units may not afford Manufacturer-Customer channel because of requirement of heavy investment and high expertise. The Manufacturer–Retailer-Customer channel is not fit for small scale units. The Manufacturer – Wholesaler-Retailer-Customer channel is generally followed by small firms especially for consumer goods. The small scale units to a large extent failed to assess the
ingredients of channel of distribution i.e., nature of product, nature of market, nature of the firm and nature of middlemen.

6) **Inadequate Advertising and Salesmanship:**

Advertising and salesmanship play an important role in boosting the sales. But both these tools require high level of expertise and heavy cost. The dishonest personnel may misuse these which may be injurious to the enterprise. The small scale units characterized with small financial resources may not take benefit of advertising and salesmanship upto considerable extent. The advertising practices of small scale units of Uttarakhand may be termed poor on the ground—

a) it failed to attract the attention of masses to a considerable extent.

b) it could not educate and guide consumers to the required extent.

c) its ability to convince the customers also has been of very low degree.

d) there are cases in which advertising could not appeal to the sentiments and instincts of customers.

e) it has not been able to lead the customers to desired actions upto satisfactory level.

The salesmanship or personal selling involves personal contact between the buyer and the seller. As far as effectiveness is concerned, personal selling is more flexible and pinpointed than advertising because it provides feedback and performs the complete job of selling. For small firms personal selling is more expensive and time consuming.
**Impact of Marketing Practices on Profitability in Small Scale Industries:**

In a socialistic economy like India profit maximization is not the only objective of marketing practices. Consumer welfare along with environmental concerns and corporate social responsibility has become the focus of marketing practices. Thus one prong of the marketing practices is aimed at satisfying human needs and thus rendering service to the society. The impact of marketing practices on profitability is just like conducting marketing audit which includes review and appraisal of objectives and policies prescribed in connection with product, pricing, distribution system and promotion.

**Parameters of Profitability:**

Profitability is the end result of productivity. The ratio of outputs to inputs determines the productivity of the marketing practices. If the benefits received from marketing practices are high in proportion to the inputs, the practices or activities may be termed as productive. If the said ratio is low the marketing practices are described as not very productive i.e., not contributing to the profitability of the enterprise. As the marketing practices are inter-dependent, intangibles and inter-woven hence may not be assessed separately. This is why evaluation of productivity and hence profitability becomes difficult.

Despite above mentioned difficulty in the measurement of profitability the following parameters would be of great help in this connection-

i) Profit margin
ii) Sales volume
iii) Market share and
iv) Marketing costs.
a) **Profit Margin:**
Profit margin may not be the only parameter of measuring performance of marketing practices as it poses some problems. Under this parameter the marketing department can be treated as a separate profit centre. A standard percentage return on investment may be prescribed for marketing department. But the fixation of this return on investment is very difficult task. Most marketing costs are generally variable, hence the problem of “Transfer Price” arises. If the manufacturing department supplies the marketing department at a higher price than its actual total cost, and the marketing department in its turn could not increase the prices for its customer, the marketing department’s return on investment would fall although the overall return on investment of the enterprise would remain the same. The question of transfer price is disputable between manufacturing department and marketing department.

If the transfer price is fixed at the level of open market price this problem may be solved to a certain extent. But the establishment of such profit centers for evaluating the effectiveness of marketing practices may not be very desirable for small scale units as it involves considerable administrative effort. Secondly profit centres may be formed on the basis of products or on a geographic basis rather than as between manufacturing or marketing departments.

b) **Sales Volume:**
Although profitability is directly related to sales volume but sometimes this direct relationship creates some doubts and it may also be reverse to it. The sales may be increased either by incurring heavy expenditures on promotion and extra salesmen or by
reducing the price of the goods sold. The result may be that, despite increase in sales volume, the total profits generated may have declined. Without cost analysis it is very difficult to evaluate the productivity or profitability of the marketing practices.

c) **Market Share:**

Market share measures the proportion of an industry’s sales enjoyed by a particular firm. Increase in market share shows that the firm has performed better in terms of sales than its competitors. The profits may be arrived after taking costs incurred into consideration. If such a share was secured by increasing advertising expenditures, employing more salesmen, allowing more dealer discounts, etc, the ultimate profits may have declined.

d) **Marketing Costs:**

Profits may be increased only if marketing costs are put under control. The costs must be administered in such a way that the maximum results are obtained from the costs so incurred.

The following points are also considered while assessing profitability-

i) Sales-volume-cost relationship

ii) Distribution cost which is an important constituent of marketing cost

iii) Different ratios to judge profitability and

iv) Stock turnover

**Empirical Study Results:**

As the information received with the help of survey conducted was neither sufficient nor fully quantitative, help of composite growth rate was taken. First a general profile of marketing practices was analyzed at micro level, subsequently scores were provided under likert’s 5-point
scale to different marketing practices. In the absence of complete information on profit performance, other parameters viz., growth rate of sales, number of workmen and capital employed were chosen. These three parameters were mingled together to arrive at a single composite growth rate. We observed that there is high degree positive correlation (+0.77) between marketing practices and the performance of the small scale industrial units.

**Suggestions:**

The growing sickness of small scale industrial units has been a matter of huge concern for the Government. Besides other causes of sickness, deterrents of sound marketing practices also have been one of the prominent causes responsible for this sickness. Inspite of good quality products the industry may fall into the trap of sickness for lack of sound marketing practices. Undoubtedly if marketing of products is done on sound footing, the enterprise may get remunerative price of its products/products resulting in increase in profitability. After analysing the marketing practices adopted by small scale industries of Uttarakhand, discussing small industry marketing mix elements, finding deterrents of sound marketing practices, an effort has been made to assess the impact of marketing practices on profitability. The following suggestions would strengthen the marketing practices of small scale industries to operate them profitably:-

I. **Adopting Modern Concept of Marketing by Small Scale Industries:**

Marketing is a total system of interacting business activities. Not only marketing should deal with goods and services but it should also focus on
ides, issues, concepts and principles. It must be consumer-oriented and fulfil the customer needs and desires. The effectiveness of marketing practices depends upon adoption of modern marketing concept. Hence, the small scale industries of Uttarakhand must:

i) discover and translate consumer needs and desires into products and services;

ii) create demand for these products and services with the help of promotion and pricing;

iii) serve the consumer demand with the help of physical distribution;

v) try to expand the market even in the face of acute competition.

The small scale industries must set the marketing objectives first, subsequently develop the marketing plan, organise the marketing function, implement the marketing plan or programme and control the marketing programme to assure the accomplishment of the set marketing objectives. The marketing programme must be so designed as may cover product planning, price, promotion and physical distribution. These industries must focus on customer satisfaction and social well-being. To accomplish the twin objectives of customer satisfaction and profitability, the marketing programme should be formulated and implemented.

II. Widening and Deepening of Marketing Information as regards Small Industry Products:

The successful marketing of products depends upon adequate and up-to-date information about changing market conditions. It is the sound marketing information which helps in taking decisions as regards to type of product, the price policy, the channel of distribution and sales
promotion. These information must be not only accurate but be available at the appropriate time. There is need of continuous marketing research.

The small scale industries must not heavily depend upon secondary data. Secondary data are in the form of finished product and are easily available. But precautions are necessary in the use of secondary data. For widening and deepening of marketing information, the small scale units must resort to primary data and for this purpose must hire the services of marketing experts. The most important factor in any statistical enquiry is that the original collection of data is correct and proper. In the case of primary data which are to be collected originally, the entire scheme of the plan starting with the definitions of various terms used, units to be employed, type of enquiry to be conducted, extent of accuracy aimed at, etc, is to be formulated in rational manner.

III. Accuracy in Market Assessment by Small Scale Unit:

Market assessment refers to sales forecasting. Accurate sales forecasting is essential for a firm to enable it to produce the required quantities at the right time and arrange well in advance for the various factors of production, viz, buildings, equipment, machine accessories, raw materials, labour, etc. Some firms may as a policy produce to order but, generally firms produce in anticipation of future demand. Sales forecasting helps a firm to assess the probable demand for its products and plan its production accordingly. In fact, forecasting is an important aid in effective and efficient planning and helps the management in reducing its dependence on chance.

In a world of uncertainly, future conditions can never be predicted perfectly. Sales forecasting is also helpful in better planning and allocation of various resources. The marketer must plan and take decisions using whatever, in his judgment, constitutes the best estimate
about future developments. Sales forecast is the keystone of marketing management. On the basis of reliable sales forecast, we can have:

1) the required number of salesmen to achieve our sales objective,
2) allocation of sales quota for each salesman.
3) determination of sales compensation plan,
4) determination of sales territories,
5) advertising and sales promotion programme,
6) scheme of distribution,
7) fixing of sales prices,
8) production plan,
9) regulating inventories and purchasing.
10) estimating standard costs,
11) budgeting and controlling expenses, and
12) planning requirements.

In fact, entire marketing mix revolves around the sales forecasts. Sales forecasting acts as the basis not only of production planning and marketing planning but also of financial planning and manpower planning. There is need to evaluate relevant variables affecting demand accurately i.e. customer preferences, incomes, social customs & traditions etc.

IV. **Market Segmentation on Sound Footing:**

A different marketing strategy is necessary for every customer group or segment. Each segment must be taken as a separate target market. Market segmentation may be termed on sound footing only if following steps are undertaken:-

i) target customers be identified with huge care in scientific manner.
ii) the target market be divided in homogeneous groups after identifying logical bases of segmentation.

iii) the information which is the base of segmentation be collected with the help of representative sampling method so that all units may be covered.

iv) the questionnaire or schedule be prepared taking into consideration all relevant variables.

v) the consumer needs and behaviour be studied by the market experts to arrive at accurate total market demand

vi) the market segmentation must satisfy the six criteria - identity, accessibility, resposiveness, size, measurability and nature of demand

vii) the economic, demographic, social, cultural and psychological dimensions of buyer behaviour be studied with the help of social scientists, psychologists and human behaviour experts to assess the total market demand.

V. Developing Optimum Marketing Mix by Small Scale Units

Marketing mix is the synthesis or combination of a number of marketing activities that are integrated into a single marketing programme to reach a particular target. The marketing mix must be organized in such a manner that it is optimum combination of all marketing ingredients so that organizational goals like profit, return on investment, sales volume, market share etc. may be realized. It should act as profitable formula of marketing operations. Marketing mix be organized as a systematic and balanced combination of product, price, place (Physical distribution) and promotion.

The product must possess such characteristics as may satisfy the need of the consumers. It must contain the utility required by them. In this way
there is need of sound decisions concerning product line, product design, product range, brand name, package, warranties, label, after sale-service etc. Pricing be in such a way as may help to face cut-throat competition and also may promote the business. The advertising be effective as well as economical and wherever necessary salesmanship or personal Selling be resorted to. The distribution of goods and services be ensured in such a manner as may shorten the channel resulting in reduction in distribution overheads, and supply at all sale points be maintained as much as required without increase in stock holding cost.

VI. **Proper Branding of Small Industry Products:**

A brand which is a symbol or mark helps a customer in instant recall, differentiating it thereby from the competing products of a similar nature. It is really the consumer’s idea of a product and possesses unique features perceived by the consumers. Branding be done in such a manner that:

i) it may help consumers to identify and recognize the product in the market quite easily.

ii) it may reduce the time and effort involved in purchase and sale.

iii) it may be differentiated from rival products.

iv) it may ease advertising and other technique of mass selling.

v) it may minimize selling costs by reducing dependence on middlemen.

vi) it may ensure uniform standards of quality and design to consumers
vii) it must be so designed that goods may be sold by description and fetch remunerative price.
viii) it's packing be so nice that may help in preventing adulteration and preserving the quality of the product.

A good brand must possess the following elements-
1) it should be brief and simple.
2) it should be early to promote, spell and remember.
3) it should be attractive and appealing to the eyes.
4) it should be suggestive of the utility of the product.
5) it should be distinctive and difficult to imitate.
6) it should remain constant for a reasonable period of time in order to gain popularity.
7) it should be capable of registration and legal production so that rival firms may not misuse it for their own benefits

VII Safe and Influential Packaging of Small Industry Products:
Packaging is a specialized activity which demands the services of experts. In reality it is not the product which is displayed and sold but it is the brand together with the package and the label which are sold or which enable to sell the product. Packaging along with brand and label represents product personality. The more effectively a product is packaged the more effective is its identity and individuality. It is the packaging which alone makes possible branding and advertising of products, e.g; tea, soap, cosmetics, etc. To ensure safe and influential packaging the firm must-
1) formulate an appropriate design of the package,
2) produce an appropriate and attractive container or wrapper for the product,
3) ensure that the container is leakproof, easy to handle and prevents from the danger of adulteration, spoilage, pilferage, breakage etc.

4) seal the package to save the customer from spurious products

5) prepare the package in such a way that it is economical, functional, attractive, communicative and helpful in controlling environmental pollution.